91-55 (3)

Supreme Court, U.S.
FILED
JUL 5 1991
OFFICE OF THE CLERK

No. 87-1284/2038; 87-1286/2072

IN THE SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1991

FRANCIS R. FITZSIMMONS and

ROGER TOWNE (Petitioners)

-vs-

UNITED STATES OF AMERICA (Respondent)

APPENDIX

VOLUME I

RICHARD ZIPSER (P22747)
Attorney for Petitioner Towne
1760 S. Telegraph Road
Suite 300
Bloomfield Hills, MI 48302
(313) 253-0740

HAROLD GUREWITZ (P14468)
Attorney for
Petitioner Fitzsimmons
3600 Cadillac Tower
Detroit, Michigan 48226
(313) 963-8155

12pp

TABLE OF CONTENTS

Page

ndictment. 1

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF MICHIGAN

SOUTHERN DIVISION

NITED STATES	Criminal No.
F AMERICA,	84-20715
Plaintiff,	
	VIOLATIONS:
HARLES F. COLLINS,	18 USC
RANCIS RICHARD	Section 2,
ITZSIMMONS,	1954,
ERRANCE L. PORTER,	1962(c) and
OL C. SCHWARTZ and	(d) and
OGER TOWNE,	(1963(a)(1)(2)
Defendants.	

_____/

INDICTMENT

HE GRAND JURY CHARGES THAT:

01

GENERAL ALLEGATIONS

1. The Michigan Conference of eamsters Welfare Fund (hereinafter eferred to as the Welfare Fund), located at 700 Trumbull Avenue, Detroit, Michigan was n employee welfare benefit plan within the eaning of and subject to the provisions of itle 1 of the Employee Retirement Security ct of 1974 (hereinafter ERISA), Title 29, nited States Code, Sections 1001, et eq., and was an employee welfare benefit lan, established and maintained by n employee organization representing mployees engaged in commerce and the ctivities of which affected interstate ommerce within the meaning of Title , United States Code, Section 1003.

2. At all times relevant herein, he following corporations and partnerships, irectly and indirectly, engaged in the usiness of promoting and administering ealth care and welfare benefit plans and

provided services and counsel in the operation and administration of welfare benefit plans for the Welfare Fund, which business was engaged in and the activities of which affected interstate commerce:

(a) Delaware Professional Services, Inc. (hereinafter referred to as DPS), a corporation incorporated under the laws of the state of Delaware and doing business in Michigan and Illinois with principal offices at Southfield, Michigan and Des Plaines, Illinois;

(b) Delaware Network Computer, Inc. (hereinafter referred to as DNC), a corporation incorporated under the laws of the state of Illinois with principal offices at Des Plaines, Illinois;

(c) Combined Professional Services, Inc. (hereinafter referred to as CPS), a corporation incorporated under the laws of the state of Michigan with offices at Detroit, Michigan, Southfield, Michigan and Des Plaines, Illinois;

(d) National Health Corporation (hereinafter referred to as NHC), a corporation incorporated under the laws of the state of Delaware and doing business in Illinois and Michigan with offices at Detroit, Michigan, Southfield, Michigan and Des Plaines, Illinois;

(e) Occumedics, Ltd. of Michigan, Inc. (hereinafter referred to as Occumedics), a corporation incorporated under the laws of the state of Michigan with principal offices at Southfield, Michigan. Occumedics changed its name to National Health Corporation of Michigan in December 1981;

(f) Federal Services Company, Ltd. (hereinafter referred to as Federal Services), a limited partnership doing business in the states of Michigan and Illinois with offices at Chicago, Illinois and Detroit, Michigan;

(g) Federal Computer Systems, Inc. (hereinafter referred to as Federal

C1

Computer), an Illinois corporation incorporated under the laws of the state of Illinois with offices at Oak Brook, Illinois;

(h) Direct Benefit Health Administrators, Inc. (hereinafter referred to as DBA), an Illinois corporation incorporated under the laws of the state of Illinois with principal offices at Chicago, Illinois. DBA was to be a joint venture between DPS and Federal Services and was to provide a health care plan for the Welfare Fund.

3. At all times relevant herein, Edward J. Brown (deceased) was an officer, agent, director and would participate in the management and operations of DPS, CPS, NBC, Occumedics, DNC and in the anticipated operations of DBA, companies which, directly and indirectly, were in the business of promoting, administering and servicing welfare benefit plans and which had contracts with the Welfare Fund and which businesses were engaged in and the activities of which effected interstate commerce.

4. At all times relevant herein, Defendant ROGER TOWNE was an officer, agent, director and would participate in the management and operations of DPS, CPS, Occumedics and in the anticipated operations of DBA, companies which, directly and indirectly, were in the business of promoting, administering and servicing welfare benefit plans and which had contracts with the Welfare Fund and which businesses were engaged in and the activities of which affected interstate commerce.

5. At all times relevant herein, Defendant SOL C. SCHWARTZ was an agent and counsel of the Welfare Fund, and a person who provided benefit plan services to the Welfare Fund, and was an agent and counsel of an organization which provided benefit plan services to the Welfare Fund, to wit, he participated in the management and operations and exercised ownership interest of Federal Services, Federal Computer and in the anticipated operations of DBA, companies

which, directly and indirectly, were in the business of promoting, administering and servicing welfare benefit plans and which had contracts with the Welfare Fund and which businesses were engaged in and the activities of which affected interstate commerce. SOL C. SCHWARTZ was a person within the meaning of Title 18, United States Code, Section 1954(1) and (4).

6. At all times relevant herein, Allen M. Dorfman (deceased) was an agent and counsel of the Welfare Fund, and a person who provided benefit plan services to the Welfare Fund, and was an agent and counsel of an organization which provided benefit plan services to the Welfare Fund, to wit, he participated in the management and operations and exercise ownership interest of Federal Services, Federal Computer and in the anticipated operations of DBA, companies which, directly and indirectly, were in the business of promoting, administering and servicing welfare benefit plans and which had

contracts with the Welfare Fund and which businesses were engaged in and the activities of which affected interstate commerce. Allen M. Dorfman, was a person within the meaning of Title 18, United States Code, Section 1954(1) and (4).

7. Defendant FRANCIS RICHARD FITZSIMMONS, also known as Dick Fitzsimmons, was an organizer for the International Brotherhood of Teamsters (hereinafter referred to as IBT), and was a Trustee, custodian, counsel and agent of the Welfare Fund. FITZSIMMONS held these positions until January 2, 1980. He was the son of the then IBT General President, Frank E. Fitzsimmons. He was married to Genevieve Fitzsimmons. FRANCIS RICHARD FITZSIMMONS was a person within the meaning of Title 18, United States Code, Section 1954(1).

8. At all times relevant herein, Defendant CHARLES F. COLLINS was an administrator, officer, custodian, counsel, agent and employee of the Welfare Fund and

held the positions of Executive Secretary and Executive Director until August 1983. As Executive Secretary and Executive Director, he was in charge of the Welfare Fund staff. CHARLES F. COLLINS was a person within the meaning of Title 18, United States Code, Section 1954(1).

9. At all times relevant herein, Defendant TERRANCE L. PORTER was an officer, owner and would control and manage Metro Home Healthcare Services, Inc. and Terrance L. Porter & Associates, Inc., (hereinafter referred to as MHHS and TPA respectively), Michigan corporations incorporated under the laws of the state of Michigan with principal offices at Dearborn, Michigan. He was an associate of FRANCIS RICHARD FITZSIMMONS and ROGER TOWNE.

10. At all times relevant herein, Robert Holmes, was a vice-president of the IBT, president of the Michigan Teamsters Joint Council No. 43, president of IBT Local

337 and was a Trustee, custodian, counsel, and agent of the Welfare Fund.

11. At all times relevant herein, Donald Ward and Alfred Happensack were Trustees of the Welfare Fund, appointed by employers who contributed to the Welfare Fund.

12. At all times relevant herein, Gary Stern was a real estate broker and a business associate of ROGER TOWNE.

13. At all times relevant herein, Charles R. Mitchell was a dentist and vice-president of Stratum Five International, Inc. (hereinafter referred to as Stratum) and Healthcare Benefit Services, Inc. (hereinafter referred to as Healthcare) with offices at Downers Grove, Illinois. Stratum furnished dental plan services to the Welfare Fund and Healthcare made the presentation of the dental plan to the Trustees of the Welfare Fund, all on behalf of DPS.

14. At all times relevant herein, Allen M. Stevens was a dentist and was

secretary and one of the principal operating officers of Stratum and Healthcare.

15. At all times relevant herein Koitcho N. Beltchev was a businessman and an associate of Edward J. Brown and ROGER TOWNE. He was born in Bulgaria and resided in Geneva and Gstaad, Switzerland. Between approximately 1950 and 1971, he lived in the United States and became a partner and general manager of New York investment firm called Hayden, Stone, Incorporated.

16. At all times relevant herein Alfonso DiBenedetto was a banker and an associate of Edward J. Brown. He was executive vice president of Banco di Roma in Chicago, Illinois and a consultant to DPS.

COUNT ONE

(18 USC 1962(c) - Racketeer Influenced and Corrupt Organizations)

1. Paragraphs 1 through 16 of the General Allegations of this indictment are realleged in this count and are incorporated by reference as though fully set forth herein.

2. From on or about April 23, 1979, through on or about December 31, 1982, both dates being approximate, the exact dates being unknown to the grand jury, in the Eastern District of Michigan and elsewhere, CHARLES F. COLLINS, FRANCIS RICHARD FITZSIMMONS, TERRANCE L. PORTER, SOL C. SCHWARTZ and ROGER TOWNE, Defendants herein, being persons associated with an enterprise, as defined in Title 18, United States Code, Section 1961(4), said enterprise being an association in fact of the following entities: the Welfare Fund, DPS, CPS, NHC, Occumedics, DNC, Federal Services, Federal Computer, MHHS, TPA and DBA, and which enterprise was engaged in and the activities of which affected interstate commerce, did knowingly, willfully and

unlawfully conduct and participate, directly and indirectly, in the conduct of such enterprise's affairs through a pattern of racketeering activity as defined in Title 18, United States Code, Sections 1961(1)(B) and (5), in the Eastern District of Michigan and elsewhere, comprised of multiple acts of giving and receiving and agreeing to give and receive, fees, kickbacks, commissions, gifts, loans, money or things of value because of the actions, decisions and duties of those persons related to the Welfare Fund and relating to questions or matters concerning the Welfare Fund, in violation of Title 18, United States Code, Section 1954, as set forth below:

THE PATTERN OF RACKETEERING ACTIVITY

Racketeering Acts One and Two

1. From on or about April 23, 1979 to on or about December 31, 1982, SOL C.

SCHWARTZ, Defendant herein, and Allen M. Dorfman, unlawfully and knowingly agreed to receive and solicited money and commissions from Edward J. Brown, to wit, two percent (2%) of the total monthly receipts DPS received from the Welfare Fund for administering a dental plan contract as a fee, kickback, commission, gift, loan, money and thing of value, because of the actions, decisions and duties of SOL C. SCHWARTZ and Allen M. Dorfman relating to questions and matters concerning the Welfare Fund, to wit, assisting in obtaining approval of the DPS dental plan contract and other decisions involving the operations and administration of the DPS dental plan contract at the Welfare Fund in violation of Title 18, United States Code, Sections 1954 and 2.

2. From on or about December 20, 1979 to on or about December 31, 1982, SOL C. SCHWARTZ, Defendant herein, and Allen M. Dorfman, unlawfully and knowingly agreed to receive and solicited money and commissions

from Edward J. Brown, to wit, to share on an equal basis, that is to say, fifty percent (50%) of any and all administrative or service fees that were to be paid by the Welfare Fund to DPS, CPS and DBA as compensation for other health care plans and services provided by DPS, CPS and DBA to the Welfare Fund, all as a fee, kickback, commission, gift, loan, money and thing of value, because of the actions, decisions and duties of SOL C. SCHWARTZ and Allen M. Dorfman relating to questions and matters concerning the Welfare Fund, to wit, assisting in obtaining approval and in giving advice regarding other proposed welfare benefit plans and services, and other decisions involving the operations and administration of the Welfare Fund in violation of Title 18, United States Code, Sections 1954 and 2.

Racketeering Acts Three Through Five

3. From on or about April 23, 1979 to on or about January 2, 1980 ROGER TOWNE, aided and abetted by TERRANCE L. PORTER, Defendants herein, Edward J. Brown and others, both known and unknown to the grand jury, unlawfully and knowingly offered, agreed and promised to give at a later time to Frances R. Fitzsimmons money and things of value to wit, United States currency and future employment and business associations with TERRANCE L. PORTER, DPS and other companies managed and controlled by Edward J. Brown and ROGER TOWNE, as a fee, kickback, commission, gift, loan, money and thing of value, because of the actions, decisions and duties of Francis Richard Fitzsimmons relating to questions and matters concerning the Welfare Fund, to wit, the operations and administration of the Welfare Fund and the approval of proposed welfare benefit plans

and services in violation of Title 18, United States Code, Sections 1954 and 2.

4. From on or about April 23, 1979 to on or about January 2, 1980 FRANCIS RICHARD FITZSIMMONS, Defendant herein, and others, unlawfully and knowingly agreed to receive and solicited money and things of value to be given at a later time from Edward J. Brown, ROGER TOWNE and TERRANCE L. PORTER, to wit, United States currency and future employment and business associations with TERRANCE L. PORTER, DPS and other companies managed and controlled by Edward J. Brown and ROGER TOWNE, as a fee, kickback, commission, gift, loan, money and thing of value, because of the actions, decisions and duties of FRANCIS RICHARD FITZSIMMONS relating to questions and matters concerning the Welfare Fund, to wit, the operations and administration of the Welfare Fund and the approval of proposed welfare benefit plans and services in

violation of Title 18, United States Code, Sections 1954 and 2.

5. From on or about April 23, 1979 to on or about December 31, 1982, CHARLES F. COLLINS, Defendant herein, unlawfully and knowingly agreed to receive and solicited money and things of value from Edward J. Brown and ROGER TOWNE, to wit, United States currency and future employment and business associations with DPS and other companies managed and controlled by Edward J. Brown and ROGER TOWNE as a fee, kickback, commission, gift, loan, money and thing of value, because of the actions, decisions and duties of CHARLES F. COLLINS relating to questions and matters concerning the Welfare Fund, to wit, the operations and administration of the Welfare Fund and the approval of proposed welfare benefit plans and services in violation of Title 18, United States Code, Sections 1954 and 2.

Racketeering Acts Six Through Nine

6. From on or about November 6, 1979 to on or about November 7, 1979, TERRANCE L. PORTER, Defendant herein, and Edward J. Brown, unlawfully and knowingly offered, agreed and proposed to give, and did give to Francis Richard Fitzsimmons things of value, to wit, hotel accommodations and subsistence at the Fountainebleau Hilton Hotel, Miami Beach, Florida on November 6, and 7, 1979, as well as other benefits, as a fee, kickback, commission, gift, loan, money and thing of value, because of the actions, decisions and duties of Francis Richard Fitzsimmons relating to questions and matters concerning the Welfare Fund, to wit, the operations and administration of the Welfare Fund and the approval of proposed welfare benefit plans and services in violation of Title 18, United States Code, Sections 1954 and 2.

7. From on or about November 6, 1979 to on or about November 7, 1979, FRANCIS RICHARD FITZSIMMONS, Defendant herein, unlawfully and knowingly received, agreed to receive and solicited things of value from Edward J. Brown and TERRANCE L. PORTER, to wit, hotel accommodations and subsistence at the Fountainebleau Hilton, Miami Beach, Florida, on November 6, and 7, 1979, as well as other benefits, as a fee, kickback, commission, gift, loan, money and thing of value, because of the actions, decisions and duties of FRANCIS RICHARD FITZSIMMONS relating to questions and matters concerning the Welfare Plan, to wit, the operations and administration of the Welfare Fund and the approval of proposed welfare benefit plans and services in violation of Title 18, United States Code, Sections 1954 and 2.

8. From on or about December 6, 1979 to on or about December 8, 1979, ROGER TOWNE and TERRANCE L. PORTER, Defendants herein, and Edward J. Brown, unlawfully and

nowingly, offered, agreed and promised to ive, and did give to Francis Richard itzsimmons things of value, to wit, hotel ccommodations, subsistence and limousine ervice at the Hyatt-Regency Hotel, Los ngeles, California, on December 6, 7, and 8, 979, as well as other benefits, as a fee, ickback, commission, gift, loan, money and hing of value, because of the actions, ecisions and duties of Francis Richard itzsimmons relating to questions and matters oncerning the Welfare Fund, to wit, the perations and administration of the Welfare und and the approval of proposed welfare enefit plans and services in violation of itle 18, United States Code, Sections 1954 nd 2.

9. From on or about December 6, 979 to on or about December 8, 1979, FRANCIS ICHARD FITZSIMMONS, Defendant herein, nlawfully and knowingly received, agreed to eceive, and solicited things of value from dward J. Brown, ROGER TOWNE and TERRANCE L.

PORTER, to wit, hotel accommodations, subsistence and limousine service at the Hyatt-Regency Hotel, Los Angeles, California, on December 6, 7 and 8, 1979, as well as other benefits, as a fee, kickback, commission, gift, loan, money and thing of value, because of the actions, decisions and duties of FRANCIS RICHARD FITZSIMMONS relating to questions and matters concerning the Welfare Fund, to wit, the operations and administration of the Welfare Fund and the approval of proposed welfare benefit plans and services in violation of Title 18, United States Code, Sections 1954 and 2.

Racketeering Acts Ten Through Sixteen

10. On or about May 27, 1979 ROGER TOWNE, Defendant herein, and Edward J. Brown, unlawfully and knowingly offered, agreed and promised to give, and did give to Charles F. Collins a thing of value, to wit, round trip air transportation between Detroit, Michigan

and Chicago, Illinois, as well as other benefits, as a fee, kickback, commission, gift, loan, money and thing of value because of the actions, decisions and duties of Charles F. Collins relating to questions and matters concerning the Welfare Fund, to wit, the operations and administration of the Welfare Fund and the approval of proposed welfare benefit plans and services in violation of Title 18, United States Code, Sections 1954 and 2.

11. On or about May,27, 1979 CHARLES F. COLLINS, Defendant herein, unlawfully and knowingly received, agreed to receive and solicited a thing of value from Edward J. Brown and ROGER TOWNE, to wit, round trip air transportation between Detroit, Michigan and Chicago, Illinois, as well as other benefits, as a fee, kickback, commission, gift, loan, money and thing of value because of the actions, decisions and duties of CHARLES F. COLLINS relating to questions and matters concerning the Welfare

Fund, to wit, the operations and administration of the Welfare Fund and the approval of proposed welfare benefit plans and services in violation of Title 18, United States Code, Sections 1954 and 2.

12. On or about June 6, 1979 ROGER TOWNE, Defendant herein, and Edward J. Brown, unlawfully and knowingly offered, agreed and promised to give, and did give to Charles F. Collins a thing of value, to wit, round trip air transportation between Detroit, Michigan and Chicago, Illinois, as well as other benefits, as a fee, kickback, commission, gift, loan, money and thing of value, because of the actions, decisions and duties of Charles F. Collins relating to questions and matters concerning the Welfare Fund, to wit, the operations and administration of the Welfare Fund and the approval of proposed welfare benefit plans and services in violation of Title 18, United States Code, Sections 1954 and 2.

13. On or about June 6, 1979 CHARLES F. COLLINS, Defendant herein, unlawfully and knowingly received, agreed to receive and solicited a thing of value from Edward J. Brown and ROGER TOWNE, to wit, round trip air transportation between Detroit, Michigan and Chicago, Illinois, as well as other benefits, as a fee, kickback, commission, gift, loan, money and thing of value, because of the actions, decisions and duties of CHARLES F. COLLINS relating to questions and matters concerning the Welfare Fund, to wit, the operations and administration of the Welfare Fund and the approval of proposed welfare benefit plans and services in violation of Title 18, United States Code, Sections 1954 and 2.

14. From on or about August 1979 to on or about December 31, 1979 CHARLES F. COLLINS, Defendant herein, unlawfully and knowingly received, agreed to receive, and solicited a thing of value from Edward J. Brown and others, to wit, the free use of an

apartment leased by DPS and located in Gateway Apartments, Farmington Hills, Michigan, as well as other benefits, as a fee, kickback, commission, gift, loan, money and thing of value, because of the actions, decisions and duties of CHARLES F. COLLINS relating to questions and matters concerning the Welfare Fund, to wit, the operations and administration of the Welfare Fund and the approval of proposed welfare benefit plans and services in violation of Title 18, United States Code, Sections 1954 and 2.

15. From on or about January 31, 1981 to on or about February 7, 1981 CHARLES F. COLLINS, Defendant herein, unlawfully and knowingly received, agreed to receive and solicited things of value from Edward J. Brown, to wit, hotel accommodations and subsistence at Canyon Ranch Resort, Tucson, Arizona, from January 31, 1981 to February 7, 1981 and round trip air transportation between Detroit, Michigan and Tucson, Arizona, as well as other benefits, as a fee,

kickback, commission, gift, loan, money and thing of value because the actions, decisions and duties of CHARLES F. COLLINS relating to questions and matters concerning the Welfare Fund, to wit, the operations and administration of the Welfare Fund and the approval of proposed welfare benefit plans and services in violation of Title 18, United States Code, Sections 1954 and 2.

16. From on or about August 1, 1981 to on or about November 30, 1981 CHARLES F. COLLINS, Defendant herein, unlawfully and knowingly received, agreed to receive and solicited things of value from Edward J. Brown, to wit, hotel accommodations and subsistence at Canyon Ranch Resort, Tucson, Arizona, from August 23, 1981 to August 26, 1981, as well as other benefits, as a fee, kickback, commission, gift, loan, money and thing of value, because of the actions, decisions and duties of CHARLES F. COLLINS relating to questions and matters concerning the Welfare Fund, to wit, the operations and

27

administration of the Welfare Fund and the approval of proposed welfare benefit plans and services in violation of Title 18, United State Code, Sections 1954 and 2.

FORFEITURES

3. The allegations contained in paragraphs one (1) and two (2) of this Count are realleged and incorporated by reference herein for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United States Code, Section 1963.

4. The Defendants, SOL C. SCHWARTZ, ROGER TOWNE and TERRANCE L. PORTER, have interests, control and ownership in corporations, companies and contracts with the Welfare Fund, as further described in paragraph 6 below, through which they acquired, established, operated, controlled, conducted and participated directly and indirectly, in the conduct of the aforementioned enterprise through a pattern

of racketeering activity in violation of Title 18, United States Code, Section 1962(c), thereby making the above-mentioned interests subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(1)(2).

5. The monies and illicit profits received by the Defendants CHARLES F. COLLINS and FRANCIS RICHARD FITZSIMMONS, in the conduct of the aforementioned enterprise through a pattern of racketeering activity, are also subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(1)(2).

6. The interests of the Defendants subject to forfeiture to the United States include any interests in, security of, claim against, or property and contractual right of any kind, either acquired or maintained and affording a source of influence over the enterprise, including but not limited to the following:

(a) with regard to the Defendant SOL C. SCHWARTZ, any and all positions with and ownership interest in Federal Services, Federal Computer and DBA, and all monies, profits, property and equitable interests and rights, including but not limited to all contracts and agreements with the Welfare Fund and any interests therein that the Defendant has acquired and maintained in violation of Title 18, United States Code, Section 1962(c) and any interests in, security of, claim against, or property or contract right affording the Defendant a source of influence over said enterprise thereby making these interests subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(1)(2).

(b) with regard to the Defendant ROGER TOWNE, any and all positions with and ownership interest in DPS, DBA and Occumedics, and all monies, profits, property and equitable interests and rights, including

but not limited to all contracts with the Welfare Fund and any interests therein that the Defendant has acquired and maintained in violation of Title 18, United States Code, Section 1962(c) and any interests in, security of, claim against, or property or contract right affording the Defendant a source of influence over said enterprise thereby taking these interests subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(1)(2).

(c) with regard to the Defendant TERRANCE L. PORTER, any and all positions with and ownership interest in Metro Home Healthcare Services, Inc. (MHHS) and Terrance L. Porter & Associates, Inc., (TPA) and all monies, profits, property and equitable interests and rights, including but not limited to any contracts with the Welfare Fund, DPS, CPS, NHC, Occumedics and DBA and any interests therein that the Defendant has acquired and maintained in violation of Title

18, United States Code, Section 1962(c) and any interests in, security of, claim against, or property or contract right affording the Defendant a source of influence over said enterprise thereby making these interests subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(1)(2).

COUNT TWO

(18 USC 1962(d)--Conspiracy--Racketeer Influenced and Corrupt Organizations)

1. Paragraphs 1 through 16 of the General Allegations and all of the allegations set forth in Count One of this indictment are realleged in this count and incorporated by reference as though fully set forth herein.

2. From on or about February 1, 1979 through and including the date of this indictment, both dates being approximate, the

32

xact dates being unknown to the grand jury, n the Eastern District of Michigan and lsewhere, CHARLES F. COLLINS, FRANCIS ICHARD FITZSIMMONS, TERRANCE L. PORTER, SOL . SCHWARTZ and ROGER TOWNE, Defendants erein, did knowingly and willfully combine, onspire, confederate and agree together and ith each other, and with Allen M. Dorfman nd Edward J. Brown and with other persons oth known and unknown to the grand jury, to ommit certain offenses against the United tates, to wit, to violate Title 18, United tates Code, Section 1962(c), that is, being ersons associated with an enterprise as efined in Title 18, United States Code, ection 1961(4), said enterprise being an ssociation in fact of the following ntities: the Welfare Fund, DPS, DNC, DBA, PS, NHC, Occumedics, MHHS, TPA, Federal ervices and Federal Computer, and which nterprise was engaged in and the activities f which affected interstate commerce, to onduct and participate, directly and

indirectly, in the conduct of such enterprise's affairs through a pattern of racketeering activity as defined in Title 18, United States Code, Section 1961(1)(B) and (5), in the Eastern District of Michigan and elsewhere, comprised of multiple acts of giving and receiving and agreeing to give and receive fees, kickbacks, commissions, gifts, loans, money or things of value because of the actions, decisions and duties of those persons related to the Welfare Fund and relating to questions or matters concerning the Welfare Fund in violation of Title 18, United States Code, Section 1954.

3. It was part of the conspiracy that ROGER TOWNE and TERRANCE L. PORTER, Defendants herein, and Edward J. Brown and others, would, directly and indirectly, give, offer and promise to give and offer, fees, kickbacks, commissions, gifts, loans, money and things of value to Defendants CHARLES F. COLLINS and FRANCIS RICHARD FITZSIMMONS who were administrators, officers, trustees,

ounsel, agents, and employees of the Welfare
nd and to Defendant SOL C. SCHWARTZ who was
agent and counsel of the Welfare Fund, a
rson who provided benefit plan services to
e Welfare Fund, and who was an agent and
unsel of an organization which provided
nefit plan services to the Welfare Fund,
l because of the actions, decisions and
ties of Defendants CHARLES F. COLLINS,
ANCIS RICHARD FITZSIMMONS, and SOL C.
HWARTZ relating to questions and matters
ncerning the Welfare Fund, to wit, the
erations and administration of the Welfare
nd and the approval of proposed welfare
nefit plans and services in violation of
tle 18, United States Code, Section 1954.

4. It was a further part of the
nspiracy that CHARLES F. COLLINS, FRANCIS
CHARD FITZSIMMONS and SOL C. SCHWARTZ,
fendants herein, would, directly and
directly, receive, agree to receive and
licit, fees, kickbacks, commissions, gifts,
ans, money and things of value because of

their actions, decisions and duties relating to questions and matters concerning the Welfare Fund, to wit, the operations and administration of the Welfare Fund and the approval of proposed welfare benefit plans and services in violation of Title 18, United States Code, Section 1954.

5. It was further part of the conspiracy that ROGER TOWNE and TERRANCE L. PORTER, Defendants herein, Edward J. Brown, and others known and unknown to the grand jury, directly and indirectly, offered, agreed and promised to give at a later time money to Defendant FRANCIS RICHARD FITZSIMMONS who agreed to receive and solicited money, to wit, United States currency in the form of checks drawn on the bank accounts of DPS, CPS and Occumedics which were transferred to Defendant TERRANCE L. PORTER and Gary Stern who then gave checks drawn on their bank accounts to Defendant FRANCIS RICHARD FITZSIMMONS and Genevieve Fitzsimmons, as a fee, kickback, commission,

36

gift, loan, money and thing of value, because of the actions, decisions and duties of Defendant FRANCIS RICHARD FITZSIMMONS relating to questions and matters concerning the Welfare Fund, to wit, the operations and administration of the Welfare Fund and the approval of proposed welfare benefit plans and services in violation of Title 18, United States Code, Section 1954.

6. It was further part of the conspiracy that ROGER TOWNE and TERRANCE L. PORTER, Defendants herein, and Edward J. Brown, and others offered, agreed and promised to give at a later time things of value to Defendant FRANCIS RICHARD FITZSIMMONS, who agreed to receive and solicited things of value to wit, future employment and business associations with Defendant TERRANCE L. PORTER, DPS and others companies managed and controlled by Defendant ROGER TOWNE and Edward J. Brown as a fee, kickback, commission, gift, loan, money and thing of value, because of the actions,

37

decisions and duties of Defendant FRANCIS RICHARD FITZSIMMONS relating to questions and matters concerning the Welfare Fund, to wit, the operations and administration of the Welfare Fund and the approval of proposed welfare benefit plans and services in violation of Title 18, United States Code, Section 1954.

7. It was a further part of the conspiracy that CHARLES F. COLLINS, Defendant herein, received, agreed to receive and solicited money and things of value from Edward J. Brown and Defendant ROGER TOWNE, to wit, United States currency and future employment and business associations with DPS and other companies managed and controlled by Edward J. Brown and Defendant ROGER TOWNE as a fee, kickback, commission, gift, loan, money and things of value, because of his actions, decisions and duties relating to questions and matters concerning the Welfare Fund, to wit, the operations and administration of the Welfare Fund and the

approval of proposed welfare benefit plans and services in violation of Title 18, United States Code, Section 1954.

8. It was a further part of the conspiracy that Edward J. Brown, would make false declarations to a United States Grand Jury and would misrepresent the extent of his business relationship with Defendant SOL C. SCHWARTZ, and would say that he had obtained the dental contract with the Welfare Fund without the knowledge of Defendant SOL C. SCHWARTZ and Allen M. Dorfman.

9. It was a further part of the conspiracy that Edward J. Brown, would make false statements to agents of the Federal Bureau of Investigation and would deny that money and other things of value had been given and promised to Defendants CHARLES F. COLLINS and SOL C. SCHWARTZ, and would say that he had obtained the dental contract with the Welfare Fund without the knowledge of Defendant SOL C. SCHWARTZ and Allen Dorfman.

39

10. It was a further part of the conspiracy that CHARLES F. COLLINS and FRANCIS RICHARD FITZSIMMONS, Defendants herein, would agree to assist Edward J. Brown and ROGER TOWNE, Defendant herein, to obtain dental, optical and health care services business and contracts with the Welfare Fund and would conceal from the Trustees and the members of the Welfare Fund the extent of their association with Edward J. Brown and Defendant ROGER TOWNE and their companies, thereby depriving the Welfare Fund and its members of the right to the loyal, faithful and honest services of CHARLES F. COLLINS and FRANCIS RICHARD FITZSIMMONS, Defendants herein trustees, custodians, counsel, agents and employees of the Welfare Fund.

11. It was a further part of the conspiracy that SOL C. SCHWARTZ, Defendant herein, and unindicted co-conspirator Allen M. Dorfman, would agree to and would assist Edward J. Brown to obtain dental, optical and health care services business and contracts

with the Welfare Fund and would conceal from the Trustees and the members of the Welfare Fund the extent of their association with Edward J. Brown and his companies, thereby depriving the Welfare Fund and its members of the right to the loyal, faithful and honest services of SOL C. SCHWARTZ, Defendant herein, and Allen M. Dorfman, who were agents and counsel of the Welfare Fund, and persons who provided benefit plan services to the Welfare Fund, and who were agents and counsel of an organization which provided benefit plan services to the Welfare Fund, to wit, they participated in the management and operations and exercised ownership interest of Federal Services, Federal Computer and DBA, companies which provided benefit plan services to the Welfare Fund.

12. It was a further part of the conspiracy that CHARLES F. COLLINS, FRANCIS RICHARD FITZSIMMONS, TERRANCE PORTER, SOL C. SCHWARTZ and ROGER TOWNE, Defendants herein, Edward J. Brown, and others, would perform

other acts to hide and conceal and cause to be hidden and concealed the purpose and the acts committed in furtherance of the conspiracy.

OVERT ACTS

In furtherance of the aforesaid conspiracy and to effectuate the objects and purposes thereof, the Defendants and others did commit and willfully cause to be committed the following overt acts:

1. On or about February 22, 1979 Edward J. Brown and ROGER TOWNE had a meeting in Ferndale, Michigan to prepare a summary for CHARLES F. COLLINS.

2. On or about March 12, 1979 ROGER TOWNE and CHARLES F. COLLINS met at a restaurant in Detroit, Michigan.

3. On or about April 23, 1979 Edward J. Brown and SOL C. SCHWARTZ had a meeting in Chicago, Illinois.

4. On or about April 24, 1979 CHARLES F. COLLINS telephoned SOL C. SCHWARTZ.

5. On or about April 27, 1979 CHARLES F. COLLINS, Edward J. Brown and ROGER TOWNE had a meeting in Southfield, Michigan.

6. On or about April 30, 1979 Edward J. Brown, CHARLES F. COLLINS and ROGER TOWNE met in Southfield, Michigan.

7. On or about May 1, 1979 Edward J. Brown, CHARLES F. COLLINS and SOL C. SCHWARTZ met with others in Detroit, Michigan.

8. On or about May 3, 1979 CHARLES F. COLLINS telephoned SOL C. SCHWARTZ.

9. On or about May 3, 1979 at a later time, CHARLES F. COLLINS telephoned SOL C. SCHWARTZ and Allen M. Dorfman.

10. On or about May 7, 1979 Edward J. Brown telephoned SOL C. SCHWARTZ.

11. On or about May 7, 1979 Edward J, Brown, CHARLES F. COLLINS and ROGER TOWNE

travelled to Hilton Head Island, South Carolina.

12. On or about May 18, 1979 CHARLES F. COLLINS telephoned SOL C. SCHWARTZ.

13. On or about May 22, 1979 Robert Holmes telephoned SOL C. SCHWARTZ.

14. On or about May 24, 1979 Edward J. Brown, CHARLES F. COLLINS and SOL C. SCHWARTZ met with the Trustees of the Welfare Fund in Detroit, Michigan.

15. On May 27, 1979 Edward J. Brown and ROGER TOWNE gave round trip air transportation between Detroit, Michigan to Chicago, Illinois to CHARLES F. COLLINS.

16. On or about June 1, 1979 CHARLES F. COLLINS, Edward J. Brown and ROGER TOWNE; attended the Welfare Fund Trustees' meeting in Detroit, Michigan.

17. On or about June 6, 1979 CHARLES F. COLLINS flew from Detroit, Michigan to Chicago, Illinois and met with

ROGER TOWNE at the Continental Plaza Hotel and COLLINS' expenses were paid for by TOWNE.

18. On or about August 3, 1979 CHARLES F. COLLINS, Edward J. Brown and ROGER TOWNE attended the Welfare Fund Trustees' meeting in Detroit and the Trustees approved and signed a contract with DPS for dental services.

19. On August 3, 1979 the Trustees of the Welfare Fund, upon the motion of Robert Holmes, approved and signed a contract with DPS to provide a plan for dental services to the Welfare Fund.

20. On or about August 21, 1979 SOL C. SCHWARTZ, Allen M. Dorfman and others met in Dorfman's office in Chicago, Illinois.

21. On October 4, 1979 the Trustees of the Welfare Fund, upon the motion of Robert Holmes, approved of and signed a contract with Federal Services retroactive to April 1, 1979, to provide a plan for prescription services to the Welfare Fund.

22. On or about November 6, 1979 SOL C. SCHWARTZ and Allen M. Dorfman met in Dorfman's office in Chicago, Illinois.

23. On or about November 6, and 7, 1979 Edward J. Brown, FRANCIS RICHARD FITZSIMMONS, TERRANCE L. PORTER and ROGER TOWNE, met at the Fontainebleau Hotel in Miami Beach, Florida and FITZSIMMONS' expenses were paid for by TERRANCE L. PORTER and Edward J. Brown.

24. On or about November 7, 1979 SOL C. SCHWARTZ and Allen M. Dorfman met in Dorfman's office in Chicago, Illinois.

25. On November 28, 1979 the Trustees of the Welfare Fund, upon the motion of Robert Holmes and seconded by FRANCIS RICHARD FITZSIMMONS, approved of and signed a contract with CPS to provide a plan for optical services to the Welfare Fund.

26. On or about December 4, and 5, 1979 FRANCIS RICHARD FITZSIMMONS, TERRANCE L. PORTER, Edward J. Brown and ROGER TOWNE met

at the Hyatt Regency-Capitol Hill Hotel in Washington, D.C.

27. Between December 6 and December 9, 1979 FRANCIS RICHARD FITZSIMMONS, TERRANCE L. PORTER, Edward J. Brown and ROGER TOWNE met at the Hyatt Regency Hotel in Los Angeles, California and FITZSIMMONS' expenses were paid for by TERRANCE L. PORTER, ROGER TOWNE and Edward J. Brown.

28. On or about December 20, 1979 Edward J, Brown, SOL C. SCHWARTZ and Allen M. Dorfman met in Dorfman's office in Chicago, Illinois.

29. On or about January 8, 1980 SOL C. SCHWARTZ and Allen M. Dorfman met in Dorfman's office in Chicago, Illinois.

30. On or about January 11, 1980 SOL C. SCHWARTZ and Allen M. Dorfman met in Dorfman's office in Chicago, Illinois.

31. Between on or about January 13, 1980 and January 28, 1980 Edward J. Brown, Koitcho Beltchev and Allen M. Dorfman

visited the La Costa Resort near San Diego, California.

32. On or about February 7, 8 and 9, 1980 CHARLES F. COLLINS and Edward J. Brown met in Florida.

33. On or about April 1980 CHARLES F. COLLINS, ROGER TOWNE, Edward J. Brown and Koitcho Beltchev met in the Bahamas.

OTHER OVERT ACTS

On or about the following dates, Edward J. Brown, ROGER TOWNE, TERRANCE L. PORTER, and others caused the following checks to be drawn on the bank account of DPS, CPS and Occumedics and transferred them to TERRANCE L. PORTER and Gary Stern who then gave checks drawn on their bank accounts to FRANCIS RICHARD FITZSIMMONS and Genevieve Fitzsimmons.

vert ct	DPS and CPS Checks to Terrance L. Porter		Overt Act	Terrance L. Porter Checks to Francis Richard and Genevieve Fitzsimmons	
	Date	Amount		Date	Amount
4	2/15/80	$1,000.00	34A	3/13/80	$400.00
5	3/14/80	1,000.00	35A	4/ 1/80	400.00
6	4/15/80	1,000.00	36A	5/ 1/80	400.00
7	5/15/80	1,000.00	37A	5/30/80	400.00
8	6/13/80	1,000.00	38A	6/30/80	400.00
9	7/15/80	1,000.00	39A	8/ 4/80	400.00
9	8/15/80	1,000.00	40A	9/ 8/80	400.00
1	9/15/80	1,000.00	41A	9/30/80	400.00
2	10/15/80	1,000.00	42A	10/31/80	400.00
	11/14/80	1,000.00	43A	12/ 1/80	400.00
	12/15/80	1,000.00	44A	1/ 2/81	400.00
3	1/15/81	1,000.00	45A	2/13/81	400.00
	2/10/81	1,000.00	46A	3/ 3/81	400.00
	3/11/81	1,000.00			
	4/13/81	950.00	48A	5/15/81	800.00
	5/13/81	1,000.00	49A	6/19/81	400.00

Overt Act	Occumedics Ltd. Checks to Gary Stern		Overt Act	Gary Stern Checks to Genevieve Fitzsimmons	
	Date	Amount		Date	Amount
50	5/4/81	$2,000.00	50A	5/28/81	$2,000.00
51	7/22/81	2,000.00	51A	8/ 3/81	2,000.00
52	8/12/81	2,000.00	52A	9/15/81	2,000.00
53	9/11/81	2,000.00	53A	9/30/81	2,000.00
54	10/13/81	2,000.00	54A	11/9/81	2,000.00
55	11/24/81	1,000.00	55A	12/23/81	1,000.00

56. On August 29, 1980 the Defendants caused the Trustees of the Welfare Fund to vote on a DPS proposal to provide a plan for health care services to the Welfare Fund and, upon the motion of Robert Holmes, the Trustees accepted the DPS proposal.

57. On December 12, 1980 SOL C. SCHWARTZ and Allen M. Dorfman caused the Trustees of the Welfare Fund to agree to extend a service contract between the Welfare

Fund and Federal Services, the contract extension being from March 31, 1983 until March 31, 1987, with an option to extend the contract until March 31, 1990.

58. Between on or about January 31, 1981 to February 7, 1981 CHARLES F. COLLINS and Edward J. Brown met at Canyon Ranch Resort in Tucson, Arizona and Edward J. Brown paid for some of Collins' expenses.

59. On March 23, 1981, CHARLES F. COLLINS, reported to the Trustees that the Welfare Fund had realized a net loss of $5.65 million during fiscal year 1980.

60. On or about May 6, 1981 Gary Stern agreed to assist ROGER TOWNE transfer money to Genevieve Fitzsimmons.

61. On or about June 4, 1981 Edward J. Brown testified before a United States Grand Jury in San Francisco, California that he did not have a business relationship with nor had he received any assistance from SOL C. SCHWARTZ and Allen

51

Dorfman relating to his contracts with the Welfare Fund.

62. Between on or about August 23, 1981 to August 26, 1981 CHARLES F. COLLINS and Edward J. Brown met at Canyon Ranch Resort in Tucson, Arizona and BROWN paid for some of COLLINS' expenses.

63. On October 1, 1981 the Defendants caused the Trustees of the Welfare Fund to approve of and the Trustees signed a contract with DBA, a joint venture between DPS and Federal Services, to provide administrative health care services to the Welfare Fund.

64. On or about November 6, 1981 Edward J. Brown travelled to Detroit, Michigan and told agents of the Federal Bureau of Investigation that he had not met the Defendant SOL C. SCHWARTZ nor Allen M, Dorfman until after he had received a contract with the Welfare Fund.

65. On December 15, 1981 the Defendants caused the Trustees of the Welfare

Fund to approve of and sign a contract with DPS to provide a plan for health care services to the Welfare Fund.

66. On or about June 18, 1982 business cards were ordered by CPS for FRANCIS RICHARD FITZSIMMONS to identify him as a Marketing Consultant for CPS.

67. On or about October 26, 1982 Robert Holmes gave sworn testimony in a civil deposition in the United States District Court stating that the only person from Illinois with whom he had contact concerning the contract between DPS and the Welfare Fund was Edward J. Brown.

68. On or about January 17, 1983 Robert Holmes gave sworn testimony in a civil deposition in the United States District Court stating that neither Allen M. Dorfman nor anyone from Federal Services requested or had anything to do with the Welfare Fund's retention of DPS.

53

69. On or about June 23, 1983 CHARLES F. COLLINS, in sworn testimony before the United States Grand Jury, stated that he could not recall any conversation he had with SOL C. SCHWARTZ or Allen M. Dorfman wherein he attempted to secure their assistance to advocate the DPS dental plan with the Trustees of the Welfare Fund.

70. In or about August 1983 CHARLES F. COLLINS was employed by First Marketing, Inc., Bloomfield Hills, Michigan with assistance from Edward J.Brown.

71. On or about January 18, 1984 Koitcho Belchev, in sworn testimony before the United States Grand Jury, stated that be did not believe that he had ever met Allen M. Dorfman.

72. In or about July 1984, CHARLES F. COLLINS was employed by Edward J. Brown to work for Health Economics Corporation in Dallas, Texas.

All in violation of Title 18, United States Code, Sections 1962(d) and 1963.

FORFEITURES

13. The allegations contained in paragraphs one (1) through twelve (12) of this Count are realleged and incorporated by reference herein for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United States Code, Section 1963.

14. The Defendants, SOL C. SCHWARTZ, ROGER TOWNE and TERRANCE L. PORTER have interests, control and ownership in corporations, companies and contracts with the Welfare Fund, as further described in paragraph 16 below, through which they acquired, established, operated, controlled, conducted and participated directly and indirectly, in the conduct of the aforementioned enterprise through a pattern of racketeering activity in violation of

Title 18, United States Code, Section 1962(c) and (d) thereby making the above-mentioned interest subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(1)(2).

15. The monies and illicit profits received by the Defendants CHARLES F. COLLINS and FRANCIS RICHARD FITZSIMMONS, in the conduct of the aforementioned enterprise through a pattern of racketeering activity, are also subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(1)(2).

16. The interests of the Defendants subject to forfeiture to the United States include any interests in, security of, claim against, property and contractual right of any kind, either acquired or maintained and affording a source of influence over the enterprise, including but not limited to the following:

(a) with regard to the Defendant SOL C. SCHWARTZ, any and all

56

positions with and ownership interest in Federal Services, Federal Computer and DBA, and all monies, profits, property and equitable interests and rights, including but not limited to all contracts and agreements with the Welfare Fund and any interests therein that the Defendant has acquired and maintained in violation of Title 18, United States Code, Section 1962(c) and (d) and any interests in, security of, claim against, or property or contract right affording the Defendant a source of influence over said enterprise thereby making these interests subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(1)(2).

(b) with regard to the Defendant ROGER TOWNE, any and all positions with and ownership interest in DPS and Occumedics, and all monies, profits, property and equitable interests and rights, including but not limited to all contracts with the Welfare Fund and any interests therein that

57

the Defendant has acquired and maintained in violation of Title 18, United States Code, Section 1962(c) and (d) and any interests in, security of, claim against, or property or contract right affording the Defendant a source of influence over said enterprise thereby making these interests subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(1)(2).

(c) with regard to the Defendant TERRANCE L. PORTER, and all positions with and ownership interest in Metro Home Healthcare Services, Inc. (MHHS) and Terrance L. Porter & Associates, Inc. (TPA), and all monies, profits, property and equitable interests and rights, including but not limited to any contracts with the Welfare Fund, DPS, CPS, DNC, NHC, Occumedics and DBA and any interests therein that the Defendant has acquired and maintained in violation of Title 18, United States Code, Section 1962(c)

58

and (d) and any interests in, security of, claim against, or property or contract right affording the Defendant a source of influence over said enterprise thereby making these interests subject to forfeiture to the United States pursuant to Title 18, United States Code, Section 1963(a)(1)(2).

COUNT THREE

(18 USC 1954--Offer or Promise to Give Monies and Things of Value to Influence Operations of Employee Benefit Plan)

1. Paragraphs 1 through 16 of the General Allegations of this indictment are hereby realleged and incorporated as though fully set forth herein.

2. From on or about April 23, 1979 to on or about January 2, 1980, both dates being approximate, in the Eastern District of Michigan and elsewhere, ROGER TOWNE, aided and abetted by TERRANCE L.

59

PORTER, Defendants herein, Edward J. Brown and others, both known and unknown to the grand jury, unlawfully and knowingly offered, agreed and promised to give at a later time to Francis Richard Fitzsimmons, money and things of value, to wit, United States currency and future employment and business associations with TERRANCE L. PORTER, DPS and other companies managed and controlled by Edward J. Brown, and ROGER TOWNE, as a fee, kickback, commission, gift, loan, money and thing of value, because of the actions, decisions and duties of Francis Richard Fitzsimmons, relating to questions and matters concerning the Welfare Fund, to wit, the operations and administration of the Welfare Fund and the approval of proposed welfare benefit plans and services as described in Counts One and Two above in greater detail.

All in violation of Title 18, United States Code, Sections 1954 and 2.

CO

COUNT FOUR

(18 USC 1954--Receiving and Soliciting Money and Things of Value to Influence Operations of Employee Benefit Plan)

1. Paragraphs 1 through 16 of the General Allegations of this indictment are hereby realleged and incorporated as though fully set forth herein.

2. From on or about April 23, 1979 to on or about December 31, 1982, both dates being approximate, in the Eastern District of Michigan and elsewhere, CHARLES J. COLLINS, Defendant herein, unlawfully and knowingly agreed to receive and solicited money and things of value from Edward J. Brown and Robert Towne, to wit, United States currency and future employment and business associations with DPS and other companies managed and controlled by Edward J. Brown and ROGER TOWNE, as a fee, kickback, commission,

gift, loan, money and things of value, because of the actions, decisions and duties the Welfare of CHARLES T. COLLINS relating to questions and matters concerning the Welfare Fund, to wit, the operations and administration of the Welfare Fund and the approval of proposed welfare benefit plans and services as described in Counts One and Two above in greater detail.

All in violation of Title 18, United States Code, Sections 1954 and 2.

COUNT FIVE

(18 USC 1954--Receiving and Soliciting Things of Value to Influence Operations of Employee Benefit Plan)

1. Paragraphs 1 through 16 of the General Allegations of this indictment are hereby realleged and incorporated as though fully set forth herein.

62

2. From on or about April 23, 979 to on or about January 2, 1980, both ates being approximate, in the Eastern istrict of Michigan and elsewhere, FRANCIS ICHARD FITZSIMMONS, Defendant herein, aided nd abetted by others, both known and unknown o the grand jury, unlawfully and knowingly greed to receive and solicited money and hings of value, from Edward J. Brown, ROGER OWNE and TERRANCE L. PORTER, to wit, United tates currency and future employment and usiness associations with TERRANCE L. ORTER, DPS and other companies managed and ontrolled by Edward J. Brown and ROGER OWNE, as a fee, kickback, commission, gift, oan, money and thing of value, because of he actions, decisions and duties of FRANCIS ICHARD FITZSIMMONS relating questions and atters concerning the Welfare Fund, to wit, he operations and administration of the elfare Fund and the approval of proposed elfare benefit plans and services as

described in Counts One and Two above in greater detail.

All in violation of Title 18, United States Code, Sections 1954 and 2.

COUNT SIX

(18 USC 1954--Receiving and Soliciting Things of Value to Influence Operations of Employee Benefit Plan)

1. Paragraphs 1 through 16 of the General Allegations of this indictment are hereby realleged and incorporated as though fully set forth herein.

2. From in or about August 1979 to on or about December 31, 19?9, both dates being approximate, in the Eastern District of Michigan and elsewhere, CHARLES F. COLLINS, Defendant herein, unlawfully and knowingly received, agreed to receive and solicited a thing of value from Edward J. Brown and ROGER

TOWNE, to wit, the free use of an apartment leased by DPS and located in Gateway Apartments, Farmington Hills, Michigan, as well as other benefits, as a fee, kickback, commission, gift, loan, money and things of value, because of the actions, decisions and duties of CHARLES F. COLLINS relating to questions and matters concerning the Welfare Fund, to wit, the operations and administration of the Welfare Fund and the approval of proposed benefit plans and services as described in Counts One and Two above in greater detail.

All in violation of Title 18, United States Code, Sections 1954 and 2.

COUNT SEVEN

(18 USC 1954--Receive and Soliciting Things of Value to Influence Operations of Employee Benefit Plan)

C5

1. Paragraphs 1 through 16 of the General Allegations of this indictment are hereby realleged and incorporated as though fully set forth herein.

2. From on or about January 31, 1981 to on or about February 7, 1981, both dates being approximate, in the Eastern District of Michigan and elsewhere, CHARLES F. COLLINS, Defendant herein, unlawfully and knowingly received, agreed to receive and solicited things of value from Edward J. Brown, to wit, hotel accommodations and subsistence at Canyon Ranch Resort, Tucson, Arizona from January 31, 1981 to February 7, 1981 and round trip air transportation between Detroit, Michigan and Tucson, Arizona, as well as other benefits, as a fee, kickback, commission, gift, loan, money and thing of value because of the actions, decisions and duties of CHARLES F. COLLINS relating to questions and matters concerning the Welfare Fund, to wit, the operations and administration of the Welfare Fund and the

approval of proposed welfare benefit Plans as described in Counts One and Two above in greater detail.

All in violation of Title 18, United States Code, Section 1954 and 2.

COUNT EIGHT

(18 USC 1954-- Receive and Solicit Fees, Kickbacks, Commissions or Money to Influence Operations of Employee Benefit Plan)

1. Paragraphs 1 through 16 of the General Allegations of this indictment are hereby realleged and incorporated as though fully set forth herein.

2. From on or about August 23, 1981 to on or about August 26, 1981, both dates being approximate, in the Eastern District of Michigan and elsewhere, CHARLES F. COLLINS, Defendant herein, unlawfully and

knowingly received, agreed to receive and solicited things of value from Edward J. Brown, to wit, hotel accommodations and subsistence at Canyon Ranch Resort, Tucson, Arizona from August 23, 1981 to August 26, 1981, as well as other benefits, as a fee, kickback, commission, gift, loan, money and things of value because of the actions, decisions and duties of CHARLES F. COLLINS relating to questions and matters concerning the Welfare Fund, to wit, the operations and administration of the Welfare Fund and the approval of proposed welfare benefit plans as described in Counts One and Two above in greater detail.

All in violation of Title 18, United States Code, Section 1954 and 2.

THIS IS A TRUE BILL.

_____

FOREPERSON

LEONARD R. GILMAN

United States Attorney

JOHN L. NEWCOMER

Special Attorney

Detroit Strike Force

940 Federal Building

Detroit, Michigan 48226

Telephone: 313-226-7252

Dated: December 21, 1984.